

NOMINATION AND REMUNERATION POLICY

1. INTRODUCTION

1.1 Octavius Plantations Limited (hereinafter referred to as “**Company**” considers human resources as its invaluable assets. This policy on nomination and remuneration (hereinafter referred to as “**Remuneration Policy**”) has been formulated by the Nomination and Remuneration Committee (hereinafter referred to as “**Remuneration Committee**”) as per the provisions of the Companies Act 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and is approved by the Board of Director of the Company, to guide the Board on the various issues of appointment, evaluate performance, remuneration of the Directors, KMP, Senior Management Personnel and other employees so as to harmonise the aspirations of human resources consistent with the goals of the Company.

1.1.1 DEFINITIONS

“**Key Managerial Personnel (KMP)**” means -

- (1) the managing Director or the Chief Executive Officer or the Manager and in their absence, a whole-time Director;
- (2) the Company Secretary;
- (3) the Chief Financial Officer;

Senior Management Personnel means the personnel of the company who are the members of its core management team excluding the directors of the Company comprising all members of management one level below the executive directors, including functional heads.

2 OBJECTIVE OF THIS REMUNERATION POLICY

2.1 The objective of this Remuneration Policy is to ensure that the:

- a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c. Remuneration to Directors, KMP and Senior Management involves terms performance objectives appropriate to the working of the Company and its goals.

3 APPLICABILITY

3.1 This Remuneration Policy shall be applicable to:

- a. All the Director of the Company which inter alia include Executive or Non Executive directors (independent director);
- b. All Senior Management Personnel, Key Managerial Personnel of the Company and other employees.

4 MEMBERSHIP

4.1.1 Remuneration Committee shall consist of minimum three or more non-executive directors, out of which at least one-half shall be independent director(s), provided that Chairperson of the Company may be appointed as a member of this Remuneration Committee but shall not chair such Remuneration Committee.

4.2 The Board shall reconstitute the Remuneration Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.

4.3 The quorum shall be either two members or one third of the members of the Remuneration Committee, whichever is higher.

4.4 Details of Remuneration Committee membership shall be disclosed in the Annual Report.

4.5 Term of the Remuneration Committee shall be continued unless terminated by the Board of Directors.

5 CHAIRMAN

5.1. The Chairman of the Remuneration Committee shall be an Independent director.

5.2 The Chairman of the Company may be appointed as a member of the Remuneration Committee but shall not chair such Remuneration Committee.

5.3 In the absence of the Chairman of the Remuneration Committee, the member of the Remuneration Committee present at the meeting shall choose one amongst them to act as Chairman of the Remuneration Committee.

5.4 The Chairman of the Remuneration Committee or in his absence, any other member of the Remuneration Committee authorized by him in this behalf shall attend the general meeting of the Company.

6 MEETING AND VOTING

6.1 The meeting of the Remuneration Committee shall be held at such intervals as may be required to accomplish the objective as set out in this Remuneration Policy.

6.2 Matters arising for decision at meeting of the Remuneration Committee shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Remuneration Committee.

6.3 In the case of equality of votes, the Chairman of the meeting will have a casting vote.

7 MINUTES OF REMUNERATION COMMITTEE MEETING

7.1 Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Remuneration Committee meeting will be tabled at the subsequent Board and Remuneration Committee meeting.

8 ROLE AND RESPONSIBILITY OF THE REMUNERATION COMMITTEE

8.1 The roles and responsibility of the Remuneration Committee shall include:

- a. To guide the Board of Director of the Company in relation to the appointment and removal of the Directors Senior Management Personnel, KMP and other employees.;
- b. Formulate the criteria for determining the qualifications, positive attributes and independence of the Directors and Senior Management Personnel, KMP and other employees and to recommend to the Board of Director of the Company relating to the remuneration payable of them .
- c. To formulate the criteria for evaluation of the performance of the Director and Senior Management Personnel, KMP and other Employees.
- d. Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- e. To devise a policy on Board diversity;
- f. To develop a succession plan for the Board and to regularly review the plan;
- g. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage;
- h. To assist the Board in fulfilling responsibilities;
- i. o Implement and monitor policies and processes regarding principles of corporate governance;
- j. To perform such other functions as may be necessary or appropriate for the performance of its duties.

9 APPOINTMENT AND REMOVAL OF DIRECTOR SENIOR MANAGEMENT PERSONNEL, KMP AND OTHER EMPLOYEES

- 9.1 The Remuneration Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director or Senior Management Personnel, KMP and other employee and recommend his / her appointment, to the Board of Director of the Company.
- 9.2 A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Remuneration Committee has authority to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the position.
- 9.3 Appointment of Independent directors is also subject to compliance of provisions of section 149 of the Companies Act, 2013, read with Schedule IV and rules thereunder.
- 9.4 The Remuneration Committee may recommend with reasons recorded in writing, removal of Director or Senior Management Personnel, KMP and other employees subject to the provisions and compliance of the Companies Act, 2013 and the rules made there under.

10 REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

10.1 Remuneration to Managing/ whole Time Directors

- a. The remuneration/ commission etc. required to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions laid down under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b. The Remuneration Committee shall make such recommendations to the Board of Directors of the Company, as it may consider deem fit with regard to remuneration to Managing Director / Whole Time Directors.

10.2 Remuneration to the Non-Executive / Independent directors

a. Remuneration / Commission

- The remuneration / commission to the Non-executive / Independent director shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

b. Sitting Fee

- The Non-Executive / Independent Directors may receive sitting fees as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Remuneration Committee and approved by the Board of Directors.

c. Limit of Remuneration / Commission

- The remuneration / commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1%/ 3% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

d. Stock option

- Pursuant to the provision of the Companies Act, 2013, no Independent director shall be entitled for the stock option of the Company.

10.3 Remuneration to Senior Management Personnel, KMP's and other employees

- a. The remuneration to Senior Management Personnel, KMP and other employees shall consist of fixed pay and incentive pay, according to the provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.
- b. The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
- c. The Incentive pay shall be decided based on the balance between performance of the Company and performance of these employees, to be decided annually or at such intervals as may be considered appropriate.

11 TENURE

11.1 Managing Director/ Whole-time Director

- a. The Company shall appoint or re-appoint any person as its Managing director or whole time director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

11.2 Independent Director

- a. An Independent director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report.
- b. No Independent director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent director shall be eligible for appointment after expiry of three years of ceasing to become an Independent director. Provided that an Independent director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

12 EVALUATION

- 12.1 The Remuneration Committee shall carry out evaluation of performance of Director, KMP, Senior Management Personnel and other employees.
- 12.2 A member of the Remuneration Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- 12.3 The Remuneration Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Remuneration Committee.

13 RETIREMENT

- 13.1 The Director and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director and Senior Management Executive in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

14 DISCLOSURE

- 14.1 The details of this Remuneration Policy and the evaluation criteria as applicable shall be disclosed in the Annual Report as part of Board's Report therein.

15 AMENDMENT

- 15.1 The Board of Directors on its own and / or as per the recommendations of Remuneration Committee can amend this Remuneration Policy, as and when deemed fit.
- 15.2 In case of any amendment(s) in the companies Act 2013 and any circular(s), order etc. issued by any authorities, not being consistent with the provisions as set out under this Remuneration Policy, then such amendment(s), circular(s), order etc. shall prevail upon the provisions hereunder and this Remuneration Policy shall stand amended accordingly from the effective date as mentioned under such amendment(s), circular(s), order etc.

Yours Sincerely,

For Octavius Plantations Limited



Director